Lacking of background note on vital aspects

1890. DR. NARREDDY THULASI REDDY:
SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to refer to answer to Unstarred Question 375 given in the Rajya Sabha on 25-9-1993 and state:

(a) whether it is a fact that background note on drug policy does not mention about actual profitability of the industry, promotional expenses and trade commission etc. and their effect on profitability;

(b) whether it is also a fact that the paper does not mention as to how drugs are to be included for price control on the basis of turn over when the production and imports of individual drugs are not monitored by Government; and

(c) who would be responsible for omissions and commissions particularly when neither the responsibsliy for omissions and commissions in the 1986 policy has been fixed nor it has been rectified?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) As already explained in answer to Rajya Sabha a Unstarred Question No. 374 on 25.2-193, the Background Note ss already on the Table of the House and explains the need for the present review and the factors which have been looked into.

(b) For the purpose of applying the turnover criteria, necessary data has been specially collected and compiled.

(c) One of the stated aims of the review exercise is to simplify the selection of drugs for the purpose of price control so as to minimum the occurrence of anomalies/aberrations in the system.

Prices of semi-synthetic penicillin bulk drugs

1891. SHRIMATI SATYA BAHIN: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 394 given in Rajya Sabha on 25th February, 1993 and state:

(a) whether it is a fact that prices of semi-synthetic penicillin bulk drugs were reduced on 21st March, 1989 and if so, what was the extent of reduction and percentage thereof;

(b) whether it is a fact that reduction in formulations was also approved but the reduced prices of formulations were never communicated to the formulators giving them undue benefit;

(c) when was the proposal for reducing the prices of formulations approved, when the prices were actually reduced and what were the details of earlier prices, reduced prices and the extent of reduction; and

(d) what are the names of companies actually benefited due to delay and to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI EDUARDO FALEIRO): (a) To the extent available, the requisite details are given below:

Rs./Kg.

S. No.	Name of Bulk Drug	Previous Price	Revised Price w.e.f. 21-3-89
1.	Amoxycillin Trihydrate.	2865	2660
2.	Ampicillin Trihydrate	2054	1925
3.	Ampicillin Anhydrous	2790	2631

(b) to (d) The proposal for reducing the prices of ceiling packs of formulations based on above mentioned drugs were approved in July, 1989. The notifications reducing the prices of formulations of Amoxycillin Trihydrate and Ampicillin Trihydrate/ Ampicillin Anhydrous were issued on 7.11.1989 and 7.1.1991 respectvely. The details of revised prices are given in the Government notifications No. S.O. 931(E) dated 7.11.1989 and S.O. 7(E) dated 7.1. 1991 published in the Gazette of India Extraordinary No. Part II Section 3(ii) respectively. These are ceilling prices and are not company specific. A large number of

1898. SHRI ANANT RAM JAISWAL companies are engaged in the production of formulations based on these drugs.

Ratification of Paris Convention on Drugs by India

1892. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to sign the Paris Convention on patents the negotiations of which are in progress;

(b) what are the provisions/contents of the treaty; and

(c) whether Government have analysed the repercussions of the treaty on the indigenous pharmaceutical industry as well as on the prices of essential drugs?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) Government have not yet taken a decision on joining the Paris Convention. The repercussions on the indigenous pharmaceutical industry as well as on the prices of essential drugs would depend on the decision of the Government on various provisions of the treaty and consequential changes, if any, in the Indian Patents Act, 1970.

Basic production of bulk drugs

1893. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question No. 1985 given in the Rajya Sabha on 11th March, 1993 and to state:

(a) whether it is a fact that due to custom duty concessions basic production of bulk drugs has not been commenced;

(b) what are the names of drugs and companies falling under such situation;

(c) whether it is a fact that on the other hand drug industry has profiteered and more foreign exchange has gone out;

(d) whether it is also a fact that no benefit to the consumer has been passed on during the past two years;

(e) what are the names of drugs where prices have been reduced; and

(f) if not, what steps are being taken in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (f) The purpose of giving custom duty concessions on intermediates and bulk drugs is to encourage the manufacture of bulk drugs and formulations from more basic stages, and also to ensure the availability of medicines in abundant quantity and at reasonable prices to the consumers.

There are 143 bulk drugs, and their formulations, under price control, which represent about 70 per cent of the total market. The prices of these drugs are fixed/revised from time to time in accordance with the procedures and norms laid down under DPCO, 1987. Whenever there are custom duty concessions on drug intermediates, their revised prices, after taking due cognizance of concessions allowed, are taken into account for fixing/ revising the prices of bulk drugs and subsequently prices of formulations based on these drugs also are revised according to the revised price of the Bulk drug.